

Message Text

PAGE 01 STATE 036206
ORIGIN OES-07

INFO OCT-01 AF-10 NEA-10 ISO-00 IO-13 L-03 /044 R

DRAFTED BY OES/APT/BMP:ASCHAPMAN:MFC
APPROVED BY OES/APT/BMP:MHCRAWFORD
NEA/IAI:MANDERSON (INFO)

-----115694 110033Z /61

P 102156Z PEB 78
FM SECSTATE WASHDC
TO AMEMBASSY NAIROBI PRIORITY
INFO AMEMBASSY TEL AVIV PRIORITY

LIMITED OFFICIAL USE STATE 036206

NAIROBI FOR MARY MCLEOD, UNEP

E.O. 11652:

TAGS: TECH, IS

SUBJECT: DRAFT EMPLOYMENT CONTRACT FOR BIRDF EXECUTIVE
DIRECTOR

1. FINAL TOUCHES PUT THIS WEEK ON DRAFT EMPLOYMENT CONTRACT FOR A. WADE BLACKMAN AS EXECUTIVE DIRECTOR OF THE ISRAEL-U.S. BINATIONAL INDUSTRIAL RESEARCH AND DEVELOPMENT FOUNDATION (BIRDF).

2. GOVERNMENT OF ISRAEL HAS REQUESTED THAT CONTRACT BE SUBMITTED TO ITS EMBASSY IN WASHINGTON, D.C. SO THAT PROVISIONS CAN BE CHECKED BY ITS LAWYERS HERE. NO ACTION REQUESTED OF EMBASSY TEL AVIV.

3. MCLEOD CONCURRENCE/COMMENTS ON FOLLOWING TEXT REQUESTED SOONEST. BEGIN TEXT:
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 02 STATE 036206

EXECUTIVE EMPLOYMENT AGREEMENT

THE ISRAEL-UNITED STATES BINATIONAL INDUSTRIAL RESEARCH AND DEVELOPMENT FOUNDATION (THE FOUNDATION) AND MR. A. WADE BLACKMAN, CITIZEN AND RESIDENT OF THE UNITED STATES, ON THIS (BLANK SPACE) DAY OF (BLANK SPACE), 1978, HAVE MUTUALLY

AGREED AS FOLLOWS:

ARTICLE I. ENGAGEMENT OF SERVICE

THE FOUNDATION HEREBY ENGAGES, AND MR. BLACKMAN HEREBY UNDERTAKES TO PROVIDE, THE PERSONAL SERVICE OF MR. BLACKMAN AS THE EXECUTIVE DIRECTOR OF THE FOUNDATION FOR THE PERFORMANCE OF THE DUTIES OF THAT POSITION AS SPECIFIED IN THE MARCH 3, 1976 BILATERAL AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF ISRAEL WHICH ESTABLISHED THE FOUNDATION (THE BIRD AGREEMENT), AND IN THE FOUNDATION'S REGULATIONS, EXISTING AND FUTURE RESOLUTIONS OF THE BOARD OF GOVERNORS, AND THE POSITION DESCRIPTION OF THE EXECUTIVE DIRECTOR ATTACHED HERETO. MR. BLACKMAN AGREES TO DEVOTE FULL TIME, ATTENTION AND ENERGIES TO THE BUSINESS OF THE FOUNDATION AND WILL ENGAGE IN NO OTHER BUSINESS ACTIVITY DURING THE TERM OF THIS AGREEMENT WITHOUT THE APPROVAL OF THE BOARD OF GOVERNORS OF THE FOUNDATION. MR. BLACKMAN AGREES THAT, WITHOUT PRIOR WRITTEN APPROVAL OF THE BOARD OF GOVERNORS NEITHER HE, HIS SPOUSE, MINOR CHILDREN, OR THOSE BLOOD RELATIVES WHO ARE MEMBERS OF HIS IMMEDIATE HOUSEHOLD SHALL HAVE A FINANCIAL INTEREST IN ANY RECIPIENT OF AN AWARD FROM THE FOUNDATION.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 STATE 036206

THE RESPECTIVE RIGHTS AND OBLIGATIONS OF THE FOUNDATION AND MR. BLACKMAN ARISING FROM THIS ENGAGEMENT ARE SUBJECT TO THE SPECIFIC PROVISIONS OF THE REMAINING ARTICLES OF THIS AGREEMENT AS HEREINAFTER PROVIDED.

ARTICLE II. TERM OF AGREEMENT

THE TERM OF THIS AGREEMENT IS TWO YEARS, UNLESS SOONER TERMINATED AS PROVIDED HEREIN.

THE FIRST YEAR OF THIS TERM SHALL BE CONSIDERED A PROBATIONARY PERIOD AND THE FOUNDATION, FOR ANY REASON, MAY TERMINATE THE AGREEMENT AT ANY TIME AT THE END OF OR DURING THE FIRST YEAR. THE TERM OF THIS AGREEMENT MAY BE EXTENDED FOR ADDITIONAL ONE-YEAR PERIODS BY AGREEMENT OF THE PARTIES HERETO. THE FOUNDATION SHALL GIVE APPROPRIATE ADVANCE NOTICE OF NOT LESS THAN SIX MONTHS OF ITS INTENTIONS CONCERNING EXTENSION OR TERMINATION OF THIS AGREEMENT. THE BOARD OF GOVERNORS MAY TERMINATE THE EMPLOYMENT OF MR. BLACKMAN FOR CAUSE AT ANY TIME.

ARTICLE III. SALARY

MR. BLACKMAN SHALL BE PAID THE SUM OF U.S. 47,500 DOLLARS PER ANNUM, SUBJECT TO ANNUAL REVIEW FOR INCREASES. THE ANNUAL SALARY MAY BE INCREASED BY RESOLUTION OF THE BOARD WITHOUT A FORMAL MODIFICATION OF THIS AGREEMENT. SALARY

SHALL BE PAID IN U.S. DOLLARS, IN EQUAL MONTHLY INSTALLMENTS, TO THE ACCOUNT OF MR. BLACKMAN AT A BANK TO BE DESIGNATED BY HIM. SUCH BANK NEED NOT BE LOCATED IN ISRAEL.

ARTICLE IV. HOUSING AND AUTOMOBILE

(A) MR. BLACKMAN, AS EXECUTIVE DIRECTOR AND HIGHEST RANKING FULLTIME OFFICER OF THE FOUNDATION, IN ORDER TO BE ABLE TO SATISFACTORILY PERFORM THE DUTIES REQUIRED OF HIM,
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 04 STATE 036206

IS REQUIRED TO LIVE IN LODGING PROVIDED BY THE FOUNDATION. THIS IS NECESSARY BECAUSE THE LODGING FURNISHED BY THE FOUNDATION HAS AN OFFICE WHERE MR. BLACKMAN IS EXPECTED TO CONDUCT FOUNDATION BUSINESS, HAS APPROPRIATE FACILITIES FOR ENTERTAINING GUESTS FOR FOUNDATION PURPOSES, AND HAS ADEQUATE SPACE FOR MR. BLACKMAN TO PROVIDE OVERNIGHT ACCOMMODATIONS, AS APPROPRIATE, FOR GUESTS OF THE FOUNDATION.

(B) IN VIEW OF THE FACT THAT MR. BLACKMAN IS NOT AUTHORIZED AT FOUNDATION EXPENSE TO BRING A PRIVATELY OWNED VEHICLE TO ISRAEL, THE FOUNDATION SHALL PROVIDE MR. BLACKMAN FOR HIS PERSONAL USE, INCLUDING THE USE OF HIS FAMILY, WITH AN APPROPRIATE AND NEW MOTOR VEHICLE. AFTER CONSULTATION WITH AN INDIVIDUAL DESIGNATED BY THE U.S. MEMBERS OF THE BOARD OF GOVERNORS AND AN INDIVIDUAL DESIGNATED BY THE ISRAELI MEMBERS OF THE BOARD OF GOVERNORS, MR. BLACKMAN IS AUTHORIZED TO CHOOSE THE VEHICLE. MR. BLACKMAN WILL PROVIDE BODILY INJURY AND PROPERTY DAMAGE LIABILITY INSURANCE IN THE AMOUNT OF ISRAELI DOLLARS (BLANK) TO COVER OPERATION OF THE VEHICLE WHILE IN HIS POSSESSION. MR. BLACKMAN WILL PAY ALL NORMAL AND ROUTINE MAINTENANCE AND OPERATING EXPENSES FOR THE VEHICLE. THE FOUNDATION WILL PROVIDE COMPREHENSIVE AND COLLISION INSURANCE FOR THE FULL VALUE OF THE VEHICLE.

(C) THE FOUNDATION SHALL PAY OR REIMBURSE MR. BLACKMAN THE AMOUNT OF ANY INCOME TAX LIABILITY THAT MAY ARISE FROM TREATMENT AS TAXABLE INCOME OF THE VALUE OF THE HOUSING AND AUTO VEHICLE PROVIDED MR. BLACKMAN PURSUANT TO THIS ARTICLE OF THE AGREEMENT.

ARTICLE V. MEDICAL EXPENSES

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 05 STATE 036206

MR. BLACKMAN SHALL HAVE THE OPTION OF OBTAINING FOR HIMSELF AND HIS DEPENDENTS PRIVATE HEALTH INSURANCE COVERAGE

IN ISRAEL OR PARTICIPATE IN THE LOCAL ISRAELI SICK FUND INSURANCE SYSTEM, THE COST OF THIS TO BE BORNE FORTY PERCENT BY MR. BLACKMAN AND SIXTY PERCENT BY THE FOUNDATION.

ARTICLE VI. ANNUITY

UPON COMPLETION OF HIS EMPLOYMENT PURSUANT TO THIS AGREEMENT, MR. BLACKMAN SHALL RECEIVE AN ANNUITY TO BE PURCHASED FOR HIM BY THE FOUNDATION FROM AN ANNUITY FUND TO BE DESIGNATED BY MR. BLACKMAN. THE FOUNDATION SHALL CONTRIBUTE TO THIS FUND A SUM EQUAL TO TWENTY PERCENT OF MR. BLACKMAN'S GROSS ANNUAL SALARY FOR EACH OF THE FIRST TWO YEARS OF HIS EMPLOYMENT BY THE FOUNDATION. THE FIRST OF THESE SUMS SHALL BE DEPOSITED AT THE BEGINNING OF MR. BLACKMAN'S TERM AND THE SECOND SUM TO BE DEPOSITED ONE YEAR LATER. IN THE EVENT OF THE PREMATURE TERMINATION OF THIS CONTRACT MR. BLACKMAN SHALL RECEIVE A PRORATED PORTION OF THESE FUNDS BASED UPON THE NUMBER OF MONTHS OF HIS COMPLETED SERVICE. MR. BLACKMAN SHALL HAVE THE OPTION TO RECEIVE, IN CASH, A LUMP SUM PAYMENT IN U.S. DOLLARS IN LIEU OF THE ANNUITY.

ARTICLE VII. SEVERANCE ALLOWANCE

IF THE EMPLOYMENT OF MR. BLACKMAN IS TERMINATED WITHOUT CAUSE DURING OR AT THE END OF THE PROBATIONARY PERIOD, HE SHALL RECEIVE THREE MONTHS OF SALARY AS A SEVERANCE ALLOWANCE. IF THE EMPLOYMENT OF MR. BLACKMAN IS TERMINATED AT ANY TIME AFTER THE COMPLETION OF THE PROBATIONARY PERIOD, HE SHALL RECEIVE A SEVERANCE ALLOWANCE OF FOUR MONTHS SALARY. THIS SEVERANCE ALLOWANCE SHALL BE PAID TO MR. BLACKMAN EVEN IF HE RESIGNS OR, IN ANY CASE, AT THE TERMINATION OR CONCLUSION OF THIS CONTRACT. IF THE EMPLOYMENT OF MR. BLACKMAN IS TERMINATED FOR CAUSE AT ANY TIME

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 06 STATE 036206

AFTER THE COMPLETION OF THE PROBATIONARY PERIOD, THE BOARD OF GOVERNORS MAY DENY PAYMENT OF THE SEVERANCE ALLOWANCE.

ARTICLE VIII. COST-OF-LIVING ALLOWANCE

MR. BLACKMAN SHALL RECEIVE A COST-OF-LIVING ALLOWANCE IN THE SAME AMOUNT AS ESTABLISHED FOR A UNITED STATES GOVERNMENT OFFICIAL, AT THE GS-18 LEVEL OR ITS EQUIVALENT, WHO DOES NOT RECEIVE POST AND DUTY-FREE PRIVILEGES, STATIONED IN TEL AVIV, ISRAEL, ACCORDING TO THE LOCAL INDEX UTILIZED

BY THE U.S. DEPARTMENT OF STATE FOR THIS PURPOSE. THE AMOUNT OF THIS ALLOWANCE SHALL BE DETERMINED BY A SEMI-ANNUAL CONSULTATION WITH UNITED STATES EMBASSY OFFICIALS IN TEL AVIV. ANY ADJUSTMENTS IN THE ALLOWANCE MADE AS A

RESULT OF THE SEMI-ANNUAL CONSULTATION SHALL BE MADE RETRO-ACTIVE TO THE DATE ON WHICH THE CHANGES IN THE APPLICABLE U.S. GOVERNMENT COST-OF-LIVING ALLOWANCE BECAME EFFECTIVE.

THE FOUNDATION SHALL PAY OR REIMBURSE MR. BLACKMAN THE AMOUNT OF ANY INCOME TAX LIABILITY THAT MAY ARISE FROM THE TREATMENT AS TAXABLE INCOME OF THE MONIES RECEIVED BY MR. BLACKMAN AS A COST-OF-LIVING ALLOWANCE PURSUANT TO THIS ARTICLE OF THE AGREEMENT.

ARTICLE IX. MOVING EXPENSES

THE FOUNDATION SHALL BEAR ALL EXPENSES INCIDENT TO THE MOVEMENT OF MR. BLACKMAN AND HIS DEPENDENTS TO TEL AVIV, ISRAEL, INCLUDING ECONOMY CLASS TRAVEL AND NOT TO EXCEED 600 LBS. OF UNACCOMPANIES BAGGAGE. UNTIL THE FOUNDATION PROVIDES HOUSING AS SPECIFIED IN ARTICLE IV(A) OF THE AGREEMENT, THE FOUNDATION SHALL REIMBURSE MR. BLACKMAN FOR LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 07 STATE 036206

ALL REASONABLE ACTUAL EXPENSES INCURRED BY HIM AND HIS DEPENDENTS IN ISRAEL AND IN THE UNITED STATES. THE FOUNDATION SHALL BEAR ALL TRANSPORTATION COSTS FOR THE MOVEMENT OF MR. BLACKMAN'S HOUSEHOLD GOODS, WHICH SHALL NOT EXCEED 12,000 POUNDS IN WEIGHT.

UPON COMPLETION OR TERMINATION OF THE SERVICE OF MR. BLACKMAN AS EXECUTIVE DIRECTOR OF THE FOUNDATION, ALL SIMILAR EXPENSES INCIDENT TO THE RETURN OF MR. BLACKMAN AND HIS DEPENDENTS TO THAT PLACE IN THE U.S. WHERE HE PLANS TO RESIDE SHALL BE BORNE BY THE FOUNDATION.

ARTICLE X. LEAVE

MR. BLACKMAN SHALL BE ENTITLED TO PAID LEAVE OF TWENTY WORKDAYS PER ANNUM AND SICK LEAVE OF THIRTEEN DAYS PER ANNUM. UNUSED LEAVE MAY BE RETAINED AND ACCUMULATED THROUGHOUT MR. BLACKMAN'S TENURE AS EXECUTIVE DIRECTOR OF THE FOUNDATION AND UNUSED ANNUAL LEAVE SHALL BE SUBJECT TO A LUMP SUM REIMBURSEMENT AT THE CONCLUSION OF THIS AGREEMENT.

IN ADDITION, MR. BLACKMAN SHALL RECEIVE FIVE DAYS PAID HOME LEAVE PER ANNUM WHICH CAN BE TAKEN AT ANY TIME DURING

THE YEAR. ANY UNUSED HOME LEAVE NOT TAKEN IN THE FIRST YEAR MAY BE CARRIED OVER TO THE SECOND YEAR BUT ANY ACCUMULATED UNUSED HOME LEAVE EXISTING AT THE TERMINATION OF THIS CONTRACT WILL BE FORFEITED AND NOT SUBJECT TO A LUMP SUM REIMBURSEMENT.

ARTICLE XI. WORKING FACILITIES

MR. BLACKMAN SHALL BE FURNISHED WITH A PRIVATE OFFICE,
STENOGRAPHIC STAFF, APPROPRIATE TRANSPORTATION, AND SUCH
OTHER FACILITIES AND SERVICES, SUITABLE TO HIS POSITION
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 08 STATE 036206

AND ADEQUATE FOR THE PERFORMANCE OF HIS DUTIES. IN ADDI-
TION, THE LODGING PROVIDED MR. BLACKMAN BY THE FOUNDATION
UNDER ARTICLE IV(A) WILL ALSO INCLUDE AN OFFICE WHICH
MR. BLACKMAN WILL BE REQUIRED TO USE FOR FOUNDATION BUSI-
NESS, FOR APPROPRIATE FACILITIES WHICH MR. BLACKMAN WILL
BE REQUIRED TO USE FOR ENTERTAINING GUESTS FOR FOUNDATION
PURPOSES, AND ADEQUATE SPACE TO PROVIDE OVERNIGHT ACCOM-
MODATIONS, WHERE APPROPRIATE, FOR GUESTS OF THE FOUNDATION.

ARTICLE XII. REIMBURSEMENT OF CERTAIN EXPENSES

(A) ISRAELI CUSTOMS DUTIES, ETC.: IF NOT EXEMPTED BY
ISRAEL LAW, THE FOUNDATION SHALL REIMBURSE MR. BLACKMAN
FOR ISRAELI CUSTOM DUTIES, IMPOSED ON GOODS BROUGHT INTO
ISRAEL, PURSUANT TO ARTICLE IX OF THIS AGREEMENT, FOR HIS
PERSONAL USE, OR FOR THE PERSONAL USE OF HIS DEPENDENTS.

IT IS UNDERSTOOD THAT MR. BLACKMAN IS EXEMPT FROM ALL
ISRAELI INCOME TAXES ARISING FROM OR IN CONNECTION WITH
HIS SERVICE AS EXECUTIVE DIRECTOR FOR THE FOUNDATION BY
REASON OF THE BILATERAL AGREEMENT REFERRED TO IN ARTICLE I.
SHOULD ANY SUCH TAXES BE ASSERTED, THE FOUNDATION SHALL
PAY OR REIMBURSE MR. BLACKMAN FOR THE AMOUNT OF TAXES
COLLECTED AND THE COSTS OF ANY LEGAL EXPENSES IN CONNECTION
THEREWITH.

THE FOUNDATION SHALL PAY OR REIMBURSE MR. BLACKMAN THE
AMOUNT OF ANY U.S. INCOME TAX LIABILITY THAT MAY ARISE
FROM TREATMENT AS TAXABLE INCOME OF THE MONIES RECEIVED BY
MR. BLACKMAN AS REIMBURSEMENT OF ISRAELI TAXES PURSUANT TO
THIS ARTICLE OF THE AGREEMENT.

(C) TRAVEL AND OTHER EXPENSES WHILE ON FOUNDATION BUSINESS:
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 09 STATE 036206

MR. BLACKMAN SHALL BE REIMBURSED FOR ALL ACTUAL TRAVEL AND
REASONABLE SOCIAL AND ENTERTAINMENT EXPENSES INCURRED WHILE
CONDUCTING FOUNDATION BUSINESS DURING HIS TENURE AS

EXECUTIVE DIRECTOR. ECONOMY CLASS TRAVEL AND FIRST CLASS
HOTEL ACCOMMODATIONS ARE EXPRESSLY AUTHORIZED FOR MR.

BLACKMAN WHILE PERFORMING HIS OFFICIAL DUTIES AS EXECUTIVE DIRECTOR.

(D) BONDING EXPENSES: MR. BLACKMAN SHALL BE REIMBURSED FOR THE COST OF OBTAINING AND MAINTAINING ANY PERSONAL BOND THAT MAY BE REQUIRED OR DIRECTED TO BE OBTAINED BY THE BOARD OF GOVERNORS OF THE FOUNDATION.

(E) HOME LEAVE EXPENSES: MR. BLACKMAN SHALL BE ENTITLED TO ONE PERIOD OF HOME LEAVE DURING EACH YEAR OF HIS EMPLOYMENT BY THE FOUNDATION. HOME LEAVE SHALL INCLUDE PAYMENT BY THE FOUNDATION OF ECONOMY CLASS TRAVEL AND AUTHORIZED DEPARTMENT OF STATE PER DIEM FOR MR. BLACKMAN AND HIS DEPENDENTS WHILE IN TRAVEL STATUS BETWEEN ISRAEL AND THE UNITED STATES.

(F) REIMBURSEMENT OF U.S. INCOME TAX LIABILITIES: MR. BLACKMAN SHALL EXERCISE DUE DILIGENCE IN MINIMIZING HIS U.S. INCOME TAX OBLIGATIONS. TO THAT END THE FOUNDATION SHALL AUTHORIZE, AS A BUSINESS EXPENSE OF THE FOUNDATION, THE PROFESSIONAL PREPARATION OF THE EXECUTIVE DIRECTOR'S PERSONAL INCOME TAX RETURN AND THE FURTHER CALCULATION OF HIS HYPOTHETICAL TAX OBLIGATION WERE HE A U.S. GOVERNMENT EMPLOYEE, GS-18, STATIONED IN TEL AVIV, ISRAEL. THE DIFFERENCE BETWEEN THESE TWO CALCULATIONS SHALL CONSTITUTE THE BASIS FOR THE INITIAL PAYMENT OR REIMBURSEMENT BY THE FOUNDATION OF U.S. INCOME TAX LIABILITY. ANY TAXABLE INCOME RECEIVED BY MR. BLACKMAN IN ACCORDANCE WITH ARTICLES IV, VIII, OR XII(A) OF THIS AGREEMENT WILL BE SET OFF AGAINST ANY PART OF MR. BLACKMAN'S (INCOME) WHICH IS LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 10 STATE 036206

DEEMED NOT TAXABLE UNDER UNITED STATES LAW BECAUSE MR. BLACKMAN IS A RESIDENT OF ISRAEL OR FOR ANY OTHER REASON. THE AMOUNT OF U.S. INCOME TAX PAID BY MR. BLACKMAN ON THE TAXABLE INCOME SET OFF ABOVE SHALL NOT BE SUBJECT TO REIMBURSEMENT UNDER ARTICLES XII(F) AND (G) OF THE AGREEMENT. FOR EXAMPLE, IF MR. BLACKMAN'S TAXABLE INCOME UNDER U.S. LAW WAS REDUCED BY 20,000 DOLLARS BECAUSE OF HIS OVERSEAS RESIDENCY STATUS, MR. BLACKMAN WOULD BE SOLELY LIABLE FOR PAYMENT OF U.S. TAXES ON ALL BENEFITS RECEIVED UNDER ARTICLES IV, VIII, AND XII(A), SO LONG AS THE VALUE OF SUCH BENEFITS DID NOT EXCEED 20,000 DOLLARS AND HE WOULD NOT BE ENTITLED TO TAX REIMBURSEMENT FOR SUCH TAX PAYMENTS UNDER ARTICLES XII(F) AND (G). IN THOSE INSTANCES WHERE THE VALUE OF SUCH BENEFITS EXCEEDED 20,000 DOLLARS, THE FOUNDATION WOULD REIMBURSE MR. BLACKMAN FOR TAX LIABILITIES ON THE VALUE ABOVE 20,000 DOLLARS.

(G) FURTHER PROVISION ON REIMBURSEMENT FOR U.S. INCOME TAX LIABILITIES: PURSUANT TO THIS AGREEMENT, WHENEVER THE

FOUNDATION SHALL PAY OR REIMBURSE MR. BLACKMAN ON ACCOUNT OF U.S. INCOME TAX LIABILITY THAT MAY ARISE FROM TREATMENT AS TAXABLE INCOME OF THE MONIES RECEIVED IN ACCORDANCE WITH ARTICLES IV, VIII OR XII(A), THE FOUNDATION SHALL ALSO PAY OR MAKE ADDITIONAL REIMBURSEMENT IN AN AMOUNT SUFFICIENT TO RELIEVE MR. BLACKMAN OF ALL U.S. INCOME TAX LIABILITIES IN SUCCEEDING YEARS THAT MAY BE ATTRIBUTABLE TO THE INCOME TAX LIABILITY ARISING FROM THE ORIGINAL PAYMENTS OR REIMBURSEMENTS. MR. BLACKMAN, AT HIS OPTION, MAY ELECT TO RECEIVE SUCH ADDITIONAL PAYMENTS OR REIMBURSEMENTS IN A LUMP SUM UPON TERMINATION OF HIS EMPLOYMENT, IF A SPECIFIC AMOUNT FOR THIS PURPOSE CAN BE MUTUALLY AGREED TO AT THE TIME OF ELECTION.

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 11 STATE 036206

ARTICLE XIII. INSURANCE

THE FOUNDATION SHALL OBTAIN, AND MAINTAIN IN FORCE DURING THE TERM OF THIS AGREEMENT, THE FOLLOWING TYPES AND AMOUNTS OF INSURANCE COVERAGE UPON MR. BLACKMAN, PAYABLE TO SUCH BENEFICIARIES AS MAY BE DESIGNATED FROM TIME TO TIME BY MR. BLACKMAN.

(A) TERM LIFE INSURANCE IN THE AMOUNT OF 50,000 U.S. DOLLARS. THE COST OF THIS INSURANCE COVERAGE SHALL BE BORNE ONE-THIRD BY THE FOUNDATION AND TWO-THIRDS BY MR. BLACKMAN.

(B) THE FOUNDATION SHALL MAINTAIN FOR ITS STAFF MEMBERS ALL RISK ACCIDENT INSURANCE IN THE AMOUNT OF U.S. 250,000, AND MR. BLACKMAN SHALL BE ELIGIBLE FOR COVERAGE BY THIS INSURANCE. THE COST OF THIS INSURANCE COVERAGE SHALL BE BORNE BY THE FOUNDATION.

(C) TERM DISABILITY INSURANCE, SUFFICIENT TO PROVIDE MR. BLACKMAN WITH AT LEAST SIXTY PERCENT OF HIS ANNUAL SALARY IN THE EVENT OF DISABILITY TO PERFORM HIS OFFICIAL DUTIES AS EXECUTIVE DIRECTOR OF THE FOUNDATION.

(D) LIABILITY INSURANCE, TO PROTECT HIM AGAINST CLAIMS ARISING OUT OF HIS PERFORMANCE OF SERVICES ON BEHALF OF THE FOUNDATION WHILE HE IS EXECUTIVE DIRECTOR. THE FOUNDATION SHALL REIMBURSE MR. BLACKMAN FOR THE ENTIRE COST OF THIS COVERAGE. THIS INSURANCE COVERAGE SHALL BE DEEMED

TO BE IN ADDITION TO AND NOT IN LIEU OF THE INDEMNIFICATION PROVISIONS SET FORTH BELOW.

ARTICLE XIV. INDEMNIFICATION

TO THE EXTENT NOT OTHERWISE COVERED BY INSURANCE, THE
LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 12 STATE 036206

FOUNDATION SHALL INDEMNIFY AND HOLD HARMLESS MR. BLACKMAN
FOR ANY LIABILITY, INCLUDING REASONABLE EXPENSES INCURRED
IN DEFENDING A SUIT ARISING OUT OF HIS PERFORMANCE OF
SERVICES ON BEHALF OF THE FOUNDATION, WHILE HE IS EXECUTIVE
DIRECTOR, PROVIDED THAT THE LIABILITY IS NOT THE RESULT OF
GROSSLY NEGLIGENT OR INTENTIONAL MISCONDUCT.

ARTICLE XV. ARBITRATION

ALL DISPUTES AND DISAGREEMENTS BETWEEN THE PARTIES ARISING
OUT OF THE INSTANT AGREEMENT SHALL BE SETTLED BY BINDING
ARBITRATION IN WASHINGTON, D.C. BY THREE ARBITRATORS, ACT-
ING PURSUANT TO THE RULES AND PROVISIONS OF THE AMERICAN
ARBITRATION ASSOCIATION. MR. BLACKMAN AND THE FOUNDATION
EACH SHALL CHOOSE ONE ARBITRATOR, WHO SHALL IN TURN CHOOSE
THE THIRD ARBITRATOR.

ARTICLE XVI. APPLICABLE LAW

THE INTERPRETATION OF THIS AGREEMENT, AND ANY ARBITRATION
CONDUCTED PURSUANT TO ARTICLE XVI HEREOF, SHALL BE GOVERNED
BY UNITED STATES LAW AS APPLIED IN THE FEDERAL COURTS OF
WASHINGTON, DISTRICT OF COLUMBIA.

ARTICLE XVII. NOTICES

ANY NOTICE REQUIRED OR PERMITTED TO BE GIVEN UNDER THIS
AGREEMENT SHALL BE IN WRITING AND SENT BY REGISTERED MAIL
TO HIS RESIDENCE, IN THE CASE OF MR. BLACKMAN, OR TO THE
PRINCIPAL OFFICE OF THE CHAIRMAN OF THE BOARD OF GOVERNORS,
IN THE CASE OF THE FOUNDATION.

ARTICLE XVIII. WAIVER OF BREACH

LIMITED OFFICIAL USE
LIMITED OFFICIAL USE

PAGE 13 STATE 036206

A WAIVER BY THE FOUNDATION OF A BREACH OF ANY PROVISION OF
THIS AGREEMENT BY MR. BLACKMAN SHALL NOT OPERATE OR BE
CONSTRUED AS A WAIVER OF ANY SUBSEQUENT BREACH BY MR. BLACK-
MAN. LIKEWISE, A WAIVER BY MR. BLACKMAN OF A BREACH OF ANY
PROVISION OF THIS AGREEMENT BY THE FOUNDATION SHALL NOT
OPERATE OR BE CONSTRUED AS A WAIVER OF ANY SUBSEQUENT
BREACH BY THE FOUNDATION.

ARTICLE XIX. MODIFICATION OF AGREEMENT

THIS INSTRUMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO AND, EXCEPT AS OTHERWISE PROVIDED IN ARTICLE III HEREOF, CAN BE MODIFIED OR CHANGED ONLY BY A WRITTEN INSTRUMENT DULY SIGNED BY BOTH PARTIES.

END TEXT.

4. NOTE: CONTRACT AS NOW WRITTEN ATTEMPTS: (A) TO ALLOW BLACKMAN TO ACT EXPEDITIOUSLY IN TEL AVIV HOUSING MARKET, AND (B) TO MINIMIZE TAXATION ON HOUSING AND HENCE COST TO THE FOUNDATION. AS NOW WRITTEN, IT IS BELIEVED THERE SHOULD BE NO TAX REIMBURSEMENT TO BLACKMAN OVER THE LIFE OF THE CONTRACT. VANCE

LIMITED OFFICIAL USE

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 sep 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONTRACTS, EMPLOYMENT, RESEARCH
Control Number: n/a
Copy: SINGLE
Draft Date: 10 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE036206
Document Source: ADS
Document Unique ID: 00
Drafter: OES/APT/BMP:ASCHAPMAN:MFC
Enclosure: n/a
Executive Order: 11652
Errors: n/a
Expiration:
Film Number: D780063-0631
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197802120/baaafbur.tel
Line Count: 503
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 889cb5cf-c288-dd11-92da-001cc4696bcc
Office: ORIGIN OES
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 25 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3475305
Secure: OPEN
Status: <DBA CORRECTED> gwr 970902
Subject: DRAFT EMPLOYMENT CONTRACT FOR BIRDF EXECUTIVE DIRECTOR
TAGS: TECH, IS, BINATL INDUST RESEARCH & DEVEL FOUN, BIRDF, TECH, (BLACKMAN, A WADE)
To: NAIROBI INFO TEL AVIV
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/889cb5cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014